



# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100  
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GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

July 19, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

13 July 19, 2011

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE THE EXCHANGE OF FEDERAL FUNDS FOR NON-FEDERAL FUNDS  
THROUGH THE FEDERAL APPORTIONMENT EXCHANGE PROGRAM  
AND STATE MATCH PROGRAM  
(ALL SUPERVISORIAL DISTRICTS)  
(3 VOTES)**

### **SUBJECT**

This action is to approve the exchange of a portion of the County of Los Angeles' current Federal funds with the State of California for non-Federal funds from the State Highway Account in the amount of \$950,813 and for the State of California to pay the County of Los Angeles \$100,000 in State of California matching funds for Fiscal Year 2010-11.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Mayor of the Board to sign an agreement between the County of Los Angeles and the State of California that assigns a County of Los Angeles apportionment of Federal funds in the amount of \$950,813 to the State of California in exchange for an equal amount of non-Federal State Highway Account funds and allocates to the County of Los Angeles \$100,000 in State matching funds from the State Highway Account for Fiscal Year 2010-11, for a total payment to the County of Los Angeles of \$1,050,813.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to approve the enclosed agreement to execute the exchange of funds and to receive the annual allocation of State of California (State) matching funds. The use of Federal funds by the County of Los Angeles (County) for highway projects requires

conformance with certain detailed documentation processes. By accepting non-Federal State Highway Account funds in exchange for Federal funds from the State, the County is relieved of these Federal documentation requirements.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1). This action provides the County with less restrictive funds to improve its roads for the benefit of the motoring public.

### **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

After execution of this agreement, the Department of Public Works (Public Works) will prepare and submit an invoice to the State in the amount of \$1,050,813. Once received, these funds will be utilized for projects to be identified in the Recommended Fiscal Year 2011-12 Road Fund Budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the Federal Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the State Department of Transportation (Caltrans) allocates the Regional Surface Transportation Program (RSTP) funds to metropolitan planning organizations or regional transportation planning agencies that in turn apportion these funds to counties based on specified formulas.

In accordance with Section 182.6(h) (2) of the Streets and Highways Code, the County may exchange a portion of its RSTP funds for non Federal State Highway Account funds. Additionally, Section 182.9 of the Streets and Highways Code requires that the State allocate to each county an amount not to exceed \$100,000 each fiscal year from non-Federal funds in the State Highway Account as match for the Federal funds allocated to each county pursuant to Section 182.6. The agreement provides for the exchange of \$950,813 of the County's apportionment of RSTP funds and claims \$100,000 of the State matching funds for Fiscal Year 2010-11, for a total of \$1,050,813 in non-Federal State Highway Account funds.

The agreement has been reviewed and approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

The proposed activity is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) (4) of the State CEQA Guidelines. This proposed action would create a government funding mechanism that does not involve any commitment to a specific project resulting in a potentially significant physical impact on the environment.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The funds covered under this agreement will be used on future transportation improvement projects in the County.

**CONCLUSION**

Please return the two originals of the agreement along with an adopted copy of this letter to the Department of Public Works, Programs Development Division, for further processing. After the agreement has been executed by Caltrans, Public Works will return a fully executed agreement to the Executive Office.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

JTW:JL:pr

Enclosures

c: Chief Executive Office (Rita Robinson)  
County Counsel  
Executive Office

FEDERAL APPORTIONMENT EXCHANGE PROGRAM AND STATE MATCH PROGRAM  
CALIFORNIA DEPARTMENT OF TRANSPORTATION - MPO COUNTY

07 LOS ANGELES  
District County

Agreement No. X11-5953(658)  
AMS Advantage ID:0700021198

THIS AGREEMENT is made on \_\_\_\_\_, by the COUNTY of LOS ANGELES, a political subdivision of the State of California (COUNTY), and the State of California, acting by and through the Department of Transportation (STATE).

WHEREAS, COUNTY desires to assign apportionments made available to COUNTY for allocation to transportation projects under the "Safe, Accountable, Flexible, Efficient, Transportation Equity Act - A Legacy for Users" (SAFETEA-LU), as modified in accordance with Section 182.6 of the Streets and Highways Code (Regional Surface Transportation Program (RSTP) funds) in exchange for nonfederal State Highway Account funds, and

WHEREAS Section 182.9 of the Streets and Highways Code requires the allocation of State Matching moneys from the State Highway Account to COUNTY:

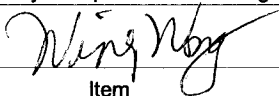
NOW, THEREFORE, the parties agree as follows:

I. FEDERAL APPORTIONMENT EXCHANGE PROGRAM

A. As authorized by Section 182.6(h)(2) of the Streets and Highways Code, COUNTY agrees to assign to STATE:

\$950,813.00 from the eligible portion of its estimated annual minimum RSTP Apportionment for Fiscal Year 2010/11

**For Caltrans Use Only**

I hereby Certify upon my own personal knowledge that budgeted funds are available for this encumbrance								
					Accounting Officer	Date 5-19-11	\$ 950,813	
Chapter	Statutes	Item	Fiscal Year	Program	BC	Category	Fund Source	\$
712	2010	2660-102-0042	2010-2011	20.30.010.840	C	224/0040	102-042-T	

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The eligible portion of said minimum apportionment is the COUNTY's estimated annual minimum RSTP apportionment established under Section 182.6(d)(2) of the Streets and Highways Code in excess of 3 1/2 percent of the statewide minimum apportionment established under Section 182.6(d)(2) less any federal apportionments already obligated for projects chargeable to COUNTY's eligible portion of its estimated annual minimum RSTP apportionment.

## DELETED

C. COUNTY agrees that it will not undertake any capacity-expanding project funded herein located in an air quality nonattainment area without prior inclusion of said project by its RTPA in the "build" alternative of the air quality conformance analysis and the RTPA's subsequent concurrence in the project's implementation.

## II. STATE MATCH PROGRAM - Section 182.9

A. As authorized by Section 182.9 of the Streets and Highways Code, STATE agrees to pay to COUNTY \$100,000.00 from the unobligated balance of COUNTY's State Matching moneys for Fiscal Year 2010/11.

B. COUNTY agrees that before COUNTY uses State Matching funds for any other lawful purpose, COUNTY shall use such funds to match federally funded transportation projects.

## III. COMMON PROVISIONS

A. Subject to the availability of State funds by the State Budget Act, and upon receipt of COUNTY invoice evidencing COUNTY's assignment of COUNTY's estimated apportionment under Section I.A to STATE, STATE agrees to pay to COUNTY an amount not to exceed \$1,050,813.00 that equals the sum of the estimated apportionment amounts identified in Sections I.A and the State Match funds identified in Section II.A.

B. COUNTY agrees to use all State funds paid hereunder only for transportation purposes that are in conformance with Article XIX of the California State Constitution.

C. COUNTY agrees to establish a special account within their County Road Fund for the purpose of depositing all payments received from STATE pursuant to this agreement.

## D. COST PRINCIPLES

1) Except as otherwise provided herein, the COUNTY agrees to comply with, and require all project sponsors to comply with, Office of Management and Budget Circular A-87, Cost Principles for State and Local Government, and with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Notwithstanding the foregoing, COUNTY shall not be required to comply with 49 CFR, Part 18.36(i), subsections (3), (4), (5), (6), (8), (9), (12) and (13).

2) COUNTY will assure that its Fund recipients will be obligated to agree that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31,

et seq., shall be used to determine the allowability of individual Project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving Funds as a contractor or sub-contractor under this Agreement shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

3) Any Fund expenditures for costs for which COUNTY has received payment or credit that are determined by subsequent audit to be unallowable under Office of Management and Budget Circular A-87, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by COUNTY to STATE. Should COUNTY fail to reimburse Fund moneys due STATE within 30 days of demand, or within such other period as may be agreed in writing between the Parties hereto, STATE is authorized to intercept and withhold future payments due COUNTY from STATE or any third-party source, including, but not limited to, the State Treasurer, the State Controller and the CTC.

#### E. THIRD PARTY CONTRACTING

1) COUNTY shall not award a construction contract over \$10,000 or other contracts over \$25,000 [excluding professional service contracts of the type which are required to be procured in accordance with Government Code Sections 4525 (d), (e) and (f)] on the basis of a noncompetitive negotiation for work to be performed using Funds without the prior written approval of STATE.

2) Any subcontract or agreement entered into by COUNTY as a result of disbursing Funds received pursuant to this Agreement shall contain all of the fiscal provisions of this Agreement; and shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subcontractors will be allowable as project costs only after those costs are incurred and paid for by the subcontractors.

3) In addition to the above, the preaward requirements of third party contractor/consultants with COUNTY should be consistent with Local Program Procedures as published by STATE.

#### F. ACCOUNTING SYSTEM

COUNTY, its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate Fund expenditures by line item. The accounting system of COUNTY, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices.

#### G. RIGHT TO AUDIT

For the purpose of determining compliance with this Agreement and other matters connected with the performance of COUNTY'S contracts with third parties, COUNTY, COUNTY's contractors and subcontractors and STATE shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All

of the above referenced parties shall make such materials available at their respective offices at all reasonable times for three years from the date of final payment of Funds to COUNTY. STATE, the California State Auditor, or any duly authorized representative of STATE or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent for audits, examinations, excerpts, and transactions, and COUNTY shall furnish copies thereof if requested.

#### H. TRAVEL AND SUBSISTENCE

Payments to only COUNTY for travel and subsistence expenses of COUNTY forces and its subcontractors claimed for reimbursement or applied as local match credit shall not exceed rates authorized to be paid exempt non-represented State employees under current State Department of Personnel Administration (DPA) rules. If the rates invoiced are in excess of those authorized DPA rates, then COUNTY is responsible for the cost difference and any overpayments shall be reimbursed to STATE on demand.

#### I. SINGLE AUDIT

COUNTY agrees to include all state (Funds) and federal funded projects in the schedule of projects to be examined in COUNTY's annual audit and in the schedule of projects to be examined under its single audit prepared in accordance with Office of Management and Budget Circular A-133.

STATE OF CALIFORNIA  
Department Of Transportation

COUNTY OF LOS ANGELES

\_\_\_\_\_  
Office of Project Implementation  
Division of Local Assistance  
Date:

\_\_\_\_\_  
Mayor, County of Los Angeles  
Date:

APPROVED AS TO FORM:  
ANDREA SHERIDAN ORDIN  
County Counsel

By Carol Suzuki  
Deputy